

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF KENTUCKY)	CASE NO. 9733-C
UTILITIES COMPANY FROM NOVEMBER 1,)	
1987, TO APRIL 30, 1988)	

INTERIM ORDER

Pursuant to 807 KAR 5:056, Section 1(11), the Commission issued its Order on May 27, 1988 scheduling a hearing and requiring Kentucky Utilities Company ("KU") to provide a record of scheduled, actual, and forced outages, and a calculation of over- or under-recovery of fuel costs for the 6-month period under review.

KU provided the data requested by the Commission's Order of May 27, 1988. KU also filed its monthly fuel adjustment filings for the 6-month period under review. Following proper notice, a hearing was held on July 28, 1988. At the hearing, additional information was requested and supplied by KU.

The sole intervenor in this case was the Utility and Rate Intervention Division of the Attorney General's Office ("AG"). The AG did not offer testimony and did not challenge the level of actual fuel cost included in KU's monthly fuel filings.

In its Order issued on May 6, 1987, the Commission fixed KU's base fuel cost at 18.91 mills per Kwh. The Commission's review of KU's monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 13.97 mills in April 1988 to a high of 15.86 mills in November 1987 with a 6-month average of 14.92 mills.

The Commission has initiated Case No. 9631, "An Investigation into the Fuel Procurement Practices of Kentucky Utilities Company." Pending resolution of that case, the Commission will refrain from making any findings with respect to KU's fuel procurement practices.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds:

(1) KU has complied with 807 KAR 5:056 regarding the calculation and application of its fuel adjustment clause.

(2) No findings are made at this time with respect to the propriety of KU's fuel procurement practices and this matter should be held in abeyance until the Commission has concluded its review.

IT IS THEREFORE ORDERED that this docket shall remain open until the Commission has concluded its investigation of KU's fuel procurement practices.

Done at Frankfort, Kentucky, this 26th day of August, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Wernau
Chairman

Robert M. Davis
Vice Chairman

James H. Williams
Commissioner

ATTEST:

Executive Director